

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 1613 - HB 1964**

February 4, 2014

**SUMMARY OF ORIGINAL BILL:** Replaces Tenn. Code Ann. § 61-1-306(c) with the model language from Section 306(c) of the Revised Uniform Partnership Act relative to an individual partner's liability in a registered limited liability partnership.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (011826):** Adds a section providing that limitations on individual partner liability established by the proposed legislation do not apply to obligations incurred prior to July 1, 2014.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from original fiscal note.**

Assumptions for the bill as amended:

- The bill limits the liability of individual partners in a partnership to their own actions. Also provides that the subsection applies to a partner's liability notwithstanding inconsistent language in any partnership agreement that existed before the partnership voted to become a limited liability partnership.
- The bill affects private business, not any state department or agency.
- According to the Secretary of State and the Department of Revenue, the bill will not have a significant impact on the state.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from original fiscal note.**

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Assumptions for the bill as amended:

- According to the Department of Revenue (DOR), the bill is not expected to cause a change in economic activity within the state.
- DOR does not anticipate this bill to have a measurable immediate impact on commerce or jobs in Tennessee. Any long-range effect is not anticipated to be measurable.
- The bill is not expected to have any significant impact on commerce or jobs in Tennessee.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/trm